

REMARKS

In the December 21, 2004 Office Action, the Examiner indicated that claims 1-3, 6-8 and 10-16 were pending in the application; objected to claims 15 and 16 under 37 CFR § 1.75(c); rejected at least claims 1-3, 6-8, 10, 11 and 13 under the second paragraph of 35 USC § 112; rejected claim 12 under 35 USC § 102(b); and rejected claims 1-3, 6-8, 10, 11 and 13-16 under 35 USC § 103(a). In rejecting the claims, U.S. Patents 5,482,178 to Giovannoli; 6,078,897 to Rubin et al. (References G and H, respectively in the July 12, 2004 Office Action); and 6,317,727 to May (Reference A in the December 21, 2004 Office Action) were cited. Claim 12 was canceled in the Supplemental Amendment filed by certificate of mail on October 13, 2004, received by the U.S. Patent and Trademark Office (USPTO) on October 15, 2004 and forwarded to the Examiner on October 28, 2004 according to the Patent Application Information Retrieval (PAIR) system. Thus, claims 1-3, 6-8 and 10, 11 and 13-16 remain in the case. The Examiner's rejections are traversed below.

Objection under 37 CFR § 1.75(c)

In the first three paragraphs on page 2 of the Office Action, the Examiner objected to claims 15 and 16 under 37 CFR § 1.75(c) for failing to further limit the subject matter of a previous claim. This same objection was made in the July 12, 2004 Office Action. The following paragraphs were included in the Amendment filed October 12, 2004. The Office Action Summary indicated that the December 21, 2004 Office Action was issued in response to the October 12, 2004 Amendment, but there was no indication that the following response was considered by the Examiner. Withdrawal of the objection, or a response to the following comments is respectfully requested.

Applicants respectfully disagree that the method of calculating the discount amount recited in claim 15 is inherent in claim 14 which only recites when a discount is calculated, not how to calculate it. The language used in claim 14 is broad enough to include, e.g., a situation where the discount is a fixed percentage of the sale price and is not "calculated based on the total or average trade amount of the purchaser for the past specific period" (claim 15, lines 2-3).

Furthermore, claim 14 was amended to clarify that the electronic purchase system is used by a plurality of sellers and that the total or average trade amount used to determine whether to discount the price relates to prior trades between the purchaser and "at least one of the sellers" (claim 14, next to the last line). As a result, claim 16 further limits claim 14 by

specifying that the total or average trade amount is between the seller and purchaser involved in the current trade.

As a result of the clarifications and amendments discussed above, it is submitted that claims 15 and 16 further limit claim 14. If the Examiner disagrees, the Examiner is respectfully requested to contact the undersigned by telephone, prior to issuing another Office Action, to discuss what further amendments would be required to overcome the objection.

Rejections under 35 USC § 112, Second Paragraph

From the bottom of page 2 to the top of page 3, at least claims 1-3, 6-8, 10, 11 and 13 were rejected under the second paragraph of 35 USC § 112. As noted above, claim 12 was canceled in the October 13, 2004 Supplemental Amendment and therefore, the comments in paragraph 4 on page 3 of the Office Action will not be addressed.

With respect to the repeated rejection of claims 2, 6, 10 and 13 due to the use of the word "set", claims 2, 6, 10 and 13 have been amended to change "set" to --selected--.

With respect to the new rejection of claims 1-3, 6-8, 10, 11 and 13 due to use of the phrase "each restricted purchaser", it is submitted that this phrase does not require antecedent basis, because it is a proper introduction of the concept that there are restricted purchasers and that each such restricted purchaser has some characteristic that is defined following the phrase.

For the above reasons, withdrawal of the rejections under the second paragraph of 35 USC § 112 is respectfully requested. If the Examiner disagrees with the argument in the preceding paragraph, the Examiner is respectfully requested to contact the undersigned by telephone to arrange an Examiner Interview for the purpose of discussing alternative language.

Rejection under 35 USC § 102

On pages 3-4 of the Office Action, claim 12 was rejected under 35 USC § 102(b) as anticipated by Giovannoli. As noted above, claim 12 was canceled in the October 13, 2004 Supplemental Amendment and therefore, this rejection is moot.

Rejections under 35 USC § 103

On pages 4-7 of the Office Action, claims 1-3, 6-8, 10, 11 and 13 were rejected under 35 USC § 103(a) as unpatentable over Giovannoli in view of May. As discussed in the October 12, 2004 Amendment, Giovannoli patent is directed to a computer based communications network for processing requests for quotation of goods or services by broadcasting such

requests over the network. Buyers and sellers can limit transactions in various ways, by limiting sales to employees or not for profit organizations, by the amount of goods, etc. Furthermore, May is directed to monitoring credit risks in electronic trading systems. "As trades are executed between counterparties, the amount of the limit is decreased in a corresponding amount to the trade executed until there is little or no remaining credit, and then further trading is prevented until the trades settle or the credit limit amount is re-set" (column 23, lines 9-13).

Unlike May, the present invention is directed to a situation where repeated transactions with another indicates trust in that trading partner, not distrust or concern regarding the creditworthiness of the trading partner. Claim 1 has been amended to clarify this point by reciting that the permission flag is used "to reject trades with each restricted purchaser when the trade amount corresponding thereto for a past period is less than a predetermined threshold" (claim 1, last three lines). It is submitted that May teaches away from this sort of restriction on trading and that Giovannoli contains no suggestion of such a restriction. Therefore, it is submitted that claim 1 patentably distinguish over Giovannoli in view of May.

The other independent claims, claims 6, 8, 10, 11 and 13, have been amended in the same way as claim 1. Therefore, it is submitted that claims 6, 8, 10, 11 and 13 patentably distinguish over Giovannoli in view of May for the reason discussed above with respect to claim 1. Furthermore, since claims 2 and 3 depend from claim 1 and claim 7 depends from claim 6, it is submitted that claims 2, 3 and 7 patentably distinguish over Giovannoli in view of May for at least this reason.

On pages 7-8 of the Office Action, claims 14-16 were rejected under 35 USC § 103(a) as unpatentable over Giovannoli in view of May and Rubin et al. It is submitted that Rubin et al. does not teach nor suggest modifying Giovannoli and May to overcome the deficiency discussed above. Since claims 14-16 depend from claim 1, it is submitted that claims 14-16 patentably distinguish over the combination of Giovannoli, May and Rubin et al. for the reasons discussed above with respect to claim 1.

Entry of Amendment

Claims 2, 6, 10 and 13 have been amended to overcome the rejection under the second paragraph of 35 USC § 112. Therefore, the number of issues for appeal have been reduced and the Amendment should be entered.

Summary

It is submitted that the references cited by the Examiner, taken individually or in combination, do not teach or suggest the features of the present claimed invention. Thus, it is submitted that claims 1-3, 6-8, 10, 11 and 13-16 are in a condition suitable for allowance. Reconsideration of the claims and an early Notice of Allowance are earnestly solicited.

If there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

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